



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE SERVICES  
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES  
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS  
COMMISSIONER

April 30, 2003

**MEMORANDUM**

To: Health Care Providers, BCBSM Subscribers, Interest Groups,  
and Other Interested Parties

From: Susan M. Scarane  
Health Plans Division

Subject: Modification of Blue Cross Blue Shield of Michigan's Ambulatory Surgical  
Facility (ASF) Provider Class Plan

In a January 31, 2002 order approving previous modifications to the ASF provider class plan, the Commissioner of Financial and Insurance Services (Commissioner) notified BCBSM that unless it filed a new or modified provider class plan by April 1, 2003 that includes a revised method for determining eligibility for participation that ensures an adequate, stable ASF network of providers, the Commissioner would commence a review of the ASF plan pursuant to MCL 550.1509. On March 31, 2003, BCBSM filed modifications to the ASF provider class plan with the Commissioner.

According to BCBSM, the proposed changes to its ASF provider class plan include four substantive modifications:

1. ASFS may temporarily disable an operating room to meet the 1200 surgical cases or 1,600 hours per operating room per year volume requirement.
2. The definition of "operating room" has been expanded to include dedicated endoscopy and cystoscopy rooms.
3. The definition of "rural" has been expanded in certain circumstances to include counties defined by the USDA as an "urban fringe" county. The "urban fringe" counties include Lapeer, Lenawee, Livingston and Monroe counties.
4. Participating ASFs that add an operating room will be given a reasonable period of time to reach the required volume minimum.

A copy of the Commissioner's January 31, 2002 order and BCBSM's proposed modification to its ASF provider class plan is available on OFIS' website at

[www.michigan.gov/ofis](http://www.michigan.gov/ofis). If you desire a printed copy of the order and/or ASF filing, you may request one from Kathy LaFleur at (517) 241-4549.

Inasmuch as MCL 550.1508(2) requires that the Commissioner obtain advice and consultation on BCBSM's proposed modification to the ASF provider class plan, we would appreciate any comments you may have regarding BCBSM's proposed modifications to its ASF provider class plan. We would appreciate it if your comments would focus on how you perceive that the proposed changes, if implemented, would ensure an adequate and stable provider network and impact BCBSM's ability to achieve the goals and objectives of the provider class plan.

Input on BCBSM's modified ambulatory surgical facilities provider class plan shall be accepted by e-mail, fax, or in the form of written comments through **May 31, 2003**. All input must be received by 5:00 p.m. on May 31, 2003 in order for it to be considered as part of the Commissioner's review of the proposed modifications. Comments provided by e-mail should be directed to [kmlafle@michigan.gov](mailto:kmlafle@michigan.gov). Written comments can be mailed or faxed to:

Office of Financial and Insurance Services  
Attention: Kathy LaFleur  
P. O. Box 30220  
Lansing, MI 48909  
Fax: (517) 241-4168

At the conclusion of the input period, the Commissioner will consider all of the input and the information and factors described in MCL 550.1509(4), and determine if the modified plan substantially achieves the goals, achieves the objectives, and includes a method for determining eligibility for participation that ensures an adequate, stable ASF network of providers. A decision by the Commissioner on BCBSM's proposed modification to the ASF provider class plan is expected by June 30, 2003.

If you have any questions regarding the input process, you may contact me at (517) 335-2052.

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